REMARKS

This Amendment is responsive to the Office Action mailed on June 22, 2009. In this Amendment, claims 2-9 and 11-20 are canceled (claims 1 and 10 were previously canceled), no claims are amended, and claims 21-42 are added so that claims 21-42 are pending.

Claim 19 is rejected under 35 U.S.C. 101, because the claimed invention is allegedly directed to non-statutory subject matter.

This rejection is moot due to the cancellation of claim 19. However, Applicants do not understand why previous claim 19 was directed to two statutory classes, since claim 19 was directed to a "computer readable medium." To the extent that the Examiner believes that it is necessary to make a similar rejection as to the pending claims, Applicants request that the Examiner provide a more detailed explanation as to why the present claims would fall under two statutory classes.

Claims 7 and 16 were rejected under 35 U.S.C. first paragraph. This rejection is also traversed, but is moot in view of the cancellation of these claims.

Claims 2-5, 7-9, 11-14, 16, and 17-20 are rejected under 35 U.S.C. §102(e) as being anticipated by Fowler et al. (U.S. 2002/0026348). Claims 6 and 15 are rejected as obvious over Fowler et al. and Ryan et al. (U.S. 2005/055272). These rejections are traversed.

Fowler et al. fails to anticipate or obviate the presently pending independent claims. Here, for example, Fowler et al. fails to teach or suggest a method comprising, *inter alia*, "providing for a combination reward program that is linked to the first reward program and the second reward program and that provides a combination reward that is based on the purchase of at least the first product and the second product, wherein the combination reward program is provided by a host organization, wherein the first merchant is different than the second merchant, and wherein the combination reward is given to a consumer if the consumer uses a portable consumer device to purchase the first product at the first merchant at a first location and to purchase the second product at the second merchant at a second location." Independent claim 32 recites a similar limitation.
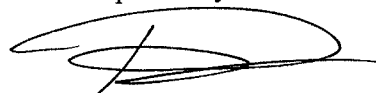
In embodiments of the invention, different merchants may have pre-existing reward programs, and these pre-existing programs may be linked together by a host organization. Advantageously, the merchants need not modify their pre-existing programs and they can be expected to see increased sales, since their programs are linked together. See, e.g., paragraph [0008] of the specification.

In the Office Action, the Examiner alleged that the previously submitted claims were taught or suggested by paragraphs 28-30 of Fowler et al. These passages describe *a single custom designed program* that can provide awards over a time period that may be increased or decreased in comparison to a previous award ("Merchants may implement custom-designed AAPs for specified qualifying individual(s) and/or select qualifying groups of individuals."). There is no description of creating a "combination reward program" that is linked to at least two pre-existing reward programs at different merchants through the purchase of first and second products. In fact, Fowler et al.'s description of a "custom" award program created by merchants teaches away from embodiments of the invention, because the merchants in embodiments of the invention can advantageously and unexpectedly obtain increased sales without modifying their existing programs and without collaborating to create a custom award program.

It is noted that the additional citation of Ryan et al. fails to remedy the deficiencies of Fowler et al., as Fowler et al. is deficient as a primary reference.

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance.

Respectfully submitted,

Patrick R. Jewik
Reg. No. 40,456

TOWNSEND and TOWNSEND and CREW LLP
Two Embarcadero Center, Eighth Floor
San Francisco, California 94111-3834
Tel: 415-576-0200
Fax: 415-576-0300
PRJ
62276803 v1